

MINUTES
Policemen's Pension and Relief Fund
Thursday, May 13, 2010

On Thursday, May 13, 2010 at 3:00 p.m., a meeting of the Board of Trustees of the Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities Conference Room at City Hall.

Agenda Item #1. Call to Order/Roll Call
[00.00.00 into the pension meeting audio.]

Chairman Moore called the meeting to order at approximately 3:00 p.m., certifying that a quorum of the Board was present. The Roll Call was as follows:

PRESENT:	Bruce Moore	Chairman
	Sara Lenehen	Treasurer
	Farris Hensley	Secretary
	Lee Harrod	Member
	David Rowan	Member
	Mike Lowery	Member
	Brad Furlow	Member

Absent:

Also present were Mr. Steve Young, Mr. Don Wood, and Mr. Jim McDaniel, Retired Members of the Fund; Mr. Bo Brister and Mr. Larry Middleton, Stephens Capital Management, Financial Consultants for the Fund; Mr. John Pettie, Dover Dixon Horne Law Firm, Legal Consultant for the Fund; Mr. Roger Smith, Government relations Lobbyist for the Fund; Mrs. Kathy Lindsey and Sharon Phillips, Pension Fund Administrative Staff, and Rick Robinson of MetLife Investments.

Agenda Item #2. Notification of News Media.
[00.00.12 into the pension meeting audio.]

Chairman Moore stated the media had been properly notified in a letter dated May 6, 2010, to the Arkansas Democrat Gazette.

Agenda Item #3. Election Results.
[00.00.17 into the pension audio.]

An issue had developed when the Ms. Lenehan declined to let any Board member witness the counting of the election ballots; however, Mr. Hensley protested this determination to Mr. Moore who satisfactorily resolved the issue prior to the pension meeting.

Ballots from the membership were opened and counted by Kathy Lindsey and Sharon Phillips, Administrative Staff, during the pension meeting. At the conclusion of the count and the meeting, Ms. Phillips reported the following results:

Don Wood was elected to Position 2 with 131 votes compared to 106 votes for Mike Lowery and Steve Young was elected to Position 4 with 157 votes compared to 81 votes for Brad Furlow.

Mr. Lowery made a motion that was seconded by Mr. Furlow, to approve the election results and the motion passed by unanimous vote of the Board.

Agenda Item #4. Approval of April Minutes.

[00.02.59 into the pension meeting audio.]

Copies of the April minutes had been previously submitted to Board members prior to the meeting. Mr. Harrod made a motion that was seconded by Mr. Rowan to approve the April minutes and the motion passed by unanimous vote of the Board.

Agenda Item #5. Report from Stephens Capital Management.

[00.04.10 into the pension meeting audio.]

Mr. Brister and Mr. Middleton, Financial Consultants for the Fund, presented the April 2010 financial report and stated that as of April 30, 2010, the market value of the Fund portfolio was \$47,276,383 of which \$23,515,545 was allocated to DROP. This represents a decrease in the account balance of (\$96,725) since April 30, 2010. The component of this change was income of \$116,615 and net contributions/withdrawals of (\$806,778). Additionally, \$1,025,194.92 was held in the Metropolitan Checking Account. The Funds overall market rate of return for the month of April 2010 was 1.60% and 4.24% calendar year to date.

Agenda Item #6. Report from Mr. Roger Smith.

[00.29.59 into the pension meeting audio.]

Mr. Roger Smith, Government Relations Lobbyist for the Fund, gave his presentation and stated that the City Board of Directors really appreciated the briefing provided by our Fund on our financial problems during their Board meeting.

Mr. Smith also gave the Board a brief overview of the Interim Study proposal that he and Mr. Jody Carrerio are working on that should be formulated in about two weeks. The goal of this plan is to prepare a legislative bill (SB-178) for the PRB plans and LOPFI plans to move toward a uniform contribution rate for all cities of approximately 9%.

Agenda Item #7. Report from Dover Dixon Horne Law Firm.

[00.37.19 into the pension meeting audio.]

- A. Lawsuit Concerning Past Benefit Increases — Mr. John Petty, Legal Consultant for the Fund, reported there was no change on this matter. The Summary Judgment Hearing is set for June 30, 2010, at 9 a.m.
- B. Letter Concerning Hourly Fees Charged: — Mr. Petty distributed an email from Mr. Peace explaining the firm's position regarding the procedure for implementing hourly rate increases. Mr. Hensley requested that Mr. Peace attend the June meeting to address further questions.
- C. Reimbursing the Fund for apportion of Past Fees Charged: — Mr. Petty stated the Fund had been reimbursed a portion of the previous fees charged. Credit was given on the February invoice for services performed for the period ending January 31, 2010.

- D. Age Sixty Service Bonus for Widows: — This item should have been titled “Over 20 Year Service Bonus.” The question to be determined is whether widows are entitled to the benefit found in A.C.A. § 24-11-422(b) or if A.C.A. § 24-11-425(f) is controlling. This item was tabled until the June Meeting.
- E. Procedure for Board Members to Request Legal Advice or Research: — Mr. Petty distributed a memo regarding requests for legal advice or research and compliance with the Freedom of Information Act. Mrs. Lenehan made a motion to adopt the recommendation by legal counsel that each individual member of the Board has the authority to request legal research or advice with the understanding between the Board and the firm that no more than two (2) hours will be spent on the request prior to the next public meeting. Mr. Rowan seconded the motion and it passed by a vote of 4-3 of the Board with Mr. Hensley, Mr. Harrod, and Mr. Lowery in opposition to the motion because they believed the other Board members needed to be aware when another Board member made a request for an attorney’s opinion and the motion did not allow that to occur.
- F. Fee for Arrest Warrants: — Mr. Petty distributed a memo regarding fees for arrest warrants that under A.C.A. § 14-52-202(b)(3) which states, “For serving city warrants only, the chief of police or his deputies shall be entitled to the fees allowed to the sheriffs under § 21-6-307 for similar services in similar cases” provides legislative authority to the City of Little Rock to collect the \$50 warrant service fee as authorized for the sheriff under § 21-6-307. He further stated that Attorney General’s Opinion (AGO) No. 97-300 states that such fees cannot be collected until such time as the court enters a judgment for costs against the defendant and that the proceeds collected shall be paid to the city treasury [A.C.A. § 14-52-202(b)(4)].

Mr. Moore suggested that this fee be added to a list of items to be considered by the committee formed to address pension-funding issues.

Mr. Hensley made a motion, seconded by Mr. Harrod, to authorize the legal counsel to perform appropriate research necessary to determine if the City is also authorized to collect a fee of \$25 for the service of summons as indicated in his memo. The motion passed by unanimous vote of the Board.

Mr. Roger Smith posed the question to Mr. Petty that the issues involving both fees were associated with the city or municipal courts but Little Rock operates under a District Court. Mr. Petty said he would have to research the issue further since he was not aware that the City did not have a municipal court.

Agenda Item #8. Report from Ms. Sara Lenehan.

[01.06.00 into the pension meeting audio.]

- A. Financial Report — Ms. Lenehan submitted copies of the un-audited financial report for April 2010. Losses to the plan year-to-date through April 30, 2010, were (\$316,370). As of April 30, 2010, the fund’s total account fund balance including the DROP, was \$48,276,351. The net gain for the month of April was \$122,434. Plan revenues for the month were \$319,748. Monthly benefit expenses totaled \$577,419 and DROP withdrawals totaled \$201,123. Including unrealized gains in the portfolio of \$645,385, the net income for the month was \$122,434.

Also submitted were copies of the April expense and legal fee reports. Expense reports showed non-benefit expenses totaled \$5,449.91 for the month and \$14,277.23 year-to-date. There were no attorney's fees in April.

Mr. Lowery made a motion to approve the financial report, which was seconded by Mr. Furlow, and the motion was approved by unanimous vote of the Board.

- B. Administrative Secretarial Duties: — Ms. Lenehan stated that the Administrative Staff had agreed to transcribe the minutes from the Board meetings on a trial bases, but that it w requiring too much of staff's time and often interfered with their ability to process payroll and accounts payable for the fund in a timely manner.

Prior to the March Board meeting, Ms. Lenehan made a recommendation to Mr. Hensley to reallocate the \$250 the fund had been paying Ms. Lindsey for preparing and distributing packets after business hours, for an assistant to help the Fund Secretary with preparation of the minutes. In return, the Administrative Staff would prepare and distribute the Board packets during city business hours without any fee. Ms. Lenehan stated that Mr. Hensley had agreed to the proposal, but had requested time to locate an assistant.

Mr. Hensley stated that he had not been able to locate an assistant because the person he had thought about did not want to perform the service and asked Mr. Moore if he would have a problem with Sharon Phillips performing that service.

Mr. Moore replied that it would be up to Ms. Phillips; however, the goal was to find someone to assist with the minutes. The item was tabled until the June meeting.

Agenda Item #9. Report from Mr. Bruce Moore.

[01.16.54 into the pension audio.]

Mr. Moore asked for Board recommendations for the size, composition, and duration of the committee and stated that several members of the Board of Directors had expressed interest in those facts. The Board decided that Mr. Hensley would ask Mr. Roger Smith to assist with this formulation at the next meeting of the Board. For this reason, the item was tabled until the June meeting.

Agenda Item #10. RFQ Process for Financial Advisor.

[01.18.57 into the pension meeting audio.]

Mr. Hensley had questions concerning the process for selecting the top respondents from the list using the "convoluted" form supplied by the Administrative Staff. Chairman more stated he did not use the form but just read each firms material and selected his top respondents. Mr. Hensley and several other Board members replied that they did not know this was possible. The matter was tabled until the June meeting to allow additional time for Board members to review the respondent materials.

Agenda Item #11. RFQ for Legal Counsel.

[01.27.03 into the pension meeting audio.]

Administrative Staff distributed copies of the six (6) responses to the bid for legal counsel. Ms. Lenehan recused from this issue because her brother-in-law is a partner in one of the law firms that submitted a proposal. The item was tabled until the June meeting to give Board members time to review the respondent's submitted materials.

Agenda Item #12. Member Comments.

[01.29.19 into the pension meeting audio.]

Mr. Steve Young wished to announce that the certification cards issued by the state to retired officers who fired their weapons at the May 3, 2010, range qualification would have the date of the qualification corrected to provide them with a full year of eligibility to carry a concealed weapon under federal law.

Agenda Item #13. Other Business.

[01.30.37 into the pension meeting audio.]

Mr. Hensley made a motion, seconded by Mr. Rowan, to approve the pension application of James Hastings effective May 20, 2010, in the amount of \$2,225.22. This motion was approved by unanimous vote for the Board.

Mr. Moore recessed the meeting at 4:31 p.m., and reconvened it at 4:40 p.m.

The membership vote on Board members was tabulated and announced as reported under Agenda Item #3.

At the request of Mr. Lowery, Mr. Hensley made a motion to allow him to purchase his pension board computer based on the annual depreciation approved by the Board and authorized Mr. Wood up to \$1,000 to purchase a new computer and accessories for pension fund use. Mr. Harrod seconded the motion and the motion passed by a unanimous vote of the Board.

Agenda Item #14. Adjourn Meeting.

[01.42.00 into the pension meeting audio.]

M. Furlow made a motion, seconded by Mr. Hensley, to adjourn the meeting. The motion passed by unanimous vote of the Board.

Respectfully Submitted,

Farris Hensley
Board Secretary